

Member

NEWS Summer 2006

Indiana Public Employees' Retirement Fund

Scorecard Reflects Fund Progress

In 2005, Governor Mitch Daniels implemented a scorecard measurement program for state agencies to increase customer service and operate more efficiently, making better use of taxpayer dollars. Since implementation, PERF's monthly progress shows improved results and more satisfied customers.

“The scorecard is a great measurement tool... to move towards our mission of exceptional customer service.”

In June of 2005, the refund process had improved 68 percent and customer satisfaction had improved 47 percent. The average number of days from a member's retirement date to the first benefit check improved 33 percent.

“The scorecard is a great measurement tool to hold our organization accountable, while continuing to move towards our mission of exceptional customer service,” said Executive Director David Adams.

This new, more aggressive direction has become increasingly transparent and PERF's customers – employers, retirees and members – are noticing the difference. Customer surveys conducted on a regular basis measure how well PERF is meeting expectations. In June of 2005, only 56 percent of respondents were satisfied. At the end of May, the customer satisfaction index had risen to 83 percent.

Measuring the output of PERF's Outreach Team illustrates another instance of enhanced customer services. The number of Pre-Retirement Workshops more than doubled over the last year, from 18 during the first two quarters of 2005 to 45 during the first two quarters of 2006. Outreach offers informational meetings for active members, members nearing retirement and employers.

“The scorecard was developed based upon input from our customers. As one example, customers wanted online access to their accounts, which previously did not exist,” said David Adams.

By June of 2006, 19 percent of transactions were processed electronically using new features of PERF Interactive and upgrades to the record-keeping system.



The Bridge to Retirement Helps Members Understand The Retirement Process

Do you know when you are ready to retire? Do you understand the retirement process?

Below are some dates for submitting retirement applications to PERF. You can find more Dates to Remember on PERF Interactive at www.perf.in.gov.

If Retirement Date Is:	Application Deadline:
Feb. 1, 2007	Aug. 1, 2006
Mar. 1, 2007	Sept. 1, 2006
Apr. 1, 2007	Oct. 1, 2006
May 1, 2007	Nov. 1, 2006
Jun. 1, 2007	Dec. 1, 2006

INSTANT ACCOUNT ACCESS

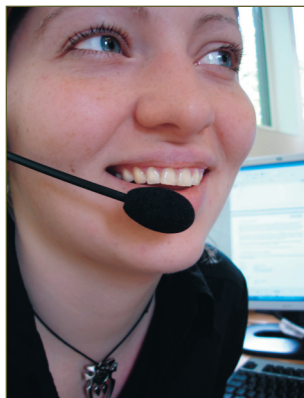


Visit PERF Interactive at www.perf.in.gov and change your personal information online!

Members can also view quarterly statements and change investment choices!

REGISTER NOW!

Member's Corner



Q&A

Indiana PERF Responds

Answers to Frequently Asked Questions

Q. I plan to retire next month, but I haven't applied yet. I just noticed that the application should be submitted six months in advance of retirement. What should I do?

PERF recommends that you send your application no later than six months before you retire to ensure little or no interruption of payment. This is because PERF has to receive and verify information from any employer for which you worked. In your case, you might want to:

- Consider moving your retirement date.
- Identify other sources of income that can cover your expenses.

When you do receive your first check, you will also receive a retroactive payment of any benefits you are due since your actual retirement date listed on your application.

Q. What type of benefits does PERF provide to public employees?

As a PERF-covered employee, you receive two interlocking benefits: the pension benefit (defined benefit) and the Annuity Savings Account or ASA (defined contribution benefit).

These two benefits are different in how they are paid after you retire, what you may take if you leave PERF-covered employment and how they are funded.

With both benefits, the longer you work for an employer who participates in the Fund, the greater your retirement benefit will be. As long as you are working for a PERF-covered employer, you cannot receive payments from either benefit.

Pension Benefit: This benefit is paid only to those who are eligible because they have accumulated at least 10 years of covered service and have reached an eligible retirement age. Pension payments are distributed in equal monthly amounts for life.

Annuity Savings Account: This account is maintained in each employee's name. It belongs to the employee and may be paid as part of a retirement, as a refund if the employee leaves service before retirement or may be left invested with PERF. The amount of this account increases through mandatory, and possibly voluntary, contributions.

Q. I don't have a computer at home, so how can I see my PERF account?

You can use any computer hooked up to the internet to log into your PERF account. The password and personal identification number (PIN) you use will not stay on that computer,

so you don't have to worry about someone else seeing your information.

Indiana public libraries have computers that you can use at no charge. Librarians can help you if you have never used a computer or password before.

You can also ask your employer. With your permission, employers can access their employees' PERF accounts to help check or update information.

Questions About Accessing Your Account?

Please visit the login page and read the Frequently Asked Questions. If you need further assistance, please email us at questions@perf.in.gov or call (888) 526-1687.

Director's Corner



David Adams, Executive Director

Our most important goal is to provide value-added services to our customers by giving them the resources they need to make the best possible retirement decisions. To that end, we are increasingly focused on your retirement planning needs.

Hard work on customer service initiatives is paying off for our members, their families and our employers. We have developed information technology and internet-based services to provide assistance with the retirement process, online account access and information. Employers and members can easily communicate with PERF electronically.

Expanded pre-retirement workshops are bringing information and individual counseling services to locations throughout the state. The "Save Your Seat" initiative has increased the number of members who attend these sessions by more than 200 percent in recent weeks. Retirement and investment planning resources are available on the new PERF Interactive website.

Our customers are expressing increased satisfaction. We, however, still have work to do. We will continue to focus on assisting our members with building a satisfactory retirement, long-range planning and careful decision-making. We will also continue to hold ourselves accountable for aggressive customer service goals because that is our mission at PERF.

PERF Interactive Enhancements Respond to Customer Needs

Managing your PERF benefits continues to get easier! The new look of the website is just one part of our efforts to support members' interactions with their account information and to make retirement planning easier.

Security issues take a high priority in guiding the developments on our site. Only members have online account access to beneficiary information, investment options and quarterly statements.

As a customer service initiative, both members and their employers have access to member address information. When you change your address with your employer, that em-

“Please remember that PERF will never ask you for any of your personal information via email.”

ployer has the ability to change your PERF records, which will help insure that PERF is able to reach you. If you have recently moved, be sure to ask your employer about this online function.

You can also ask your employer to help you change other information, but this is only possible if you provide your member log-in information. Whenever a change is made to your PERF account, you will receive notification of the change via the email you used to sign up for PERF Interactive. Please remember that PERF will never ask you for any of your personal information via email.

The new PERF Interactive website helps users go directly from the front page to the information they need. Account information is always available to members who use the log-in feature.

WHEN THE HOME PAGE FOR PERF INTERACTIVE OPENS AT WWW.PERF.IN.GOV, USERS CAN:

- Log directly into their account.
- Go to the Bridge to Retirement to learn about important milestones as you approach retirement.
- Use the new Planning and Education Center to learn more about making investment and retirement planning decisions.

The new design and added functions of PERF Interactive allow all types of computers and internet connections to easily access information. Users with limited vision or manual dexterity issues also have full access. As PERF moves forward, electronic communication will play a more prominent role in member and employer customer service. Be sure to visit www.perf.in.gov and let us know what you think.

Taking a Leave, Staying in PERF

If your work is interrupted by a leave of absence authorized under PERF rules, you may continue to earn service credit towards a pension benefit. Various conditions apply to leave eligibility and service earned.

AUTHORIZED LEAVES

- Military Service
- Leaves under the federal Family Medical Leave Act.
- Paid Leave.
- Unpaid Leave (see your employer for details).

IF YOU ARE TAKING A LEAVE:

1. Make sure your employer notes the start and stop dates and the reason for your leave. It would be advisable to keep your own records of this as well.
2. Do not take a refund.
3. If it applies to you, keep your military discharge papers.

For more explanation about leaves of absence, go to PERF Interactive (www.perf.in.gov).

SAVE YOUR SEAT!

Register for a PERF Pre-Retirement Workshop

“Thanks for coming to Mishawaka and not making us drive to Indy!”

To find workshop dates, visit our website at

www.perf.in.gov

PLANNING & EDUCATION

THE ROAD TO RETIREMENT

IN YOUR 30s AND 40s... WORKING ON IT

It's easy to get sidetracked from retirement saving during your 30s and 40s, especially when the day-to-day expenses seem to overshadow the need to plan ahead. Perhaps you have married, bought a home or started a family. Though this is a period of high expenses, don't let it derail you from saving for your retirement.

- Continue to set aside at least 10 percent of your income in tax-deferred investments. Consider a more aggressive asset allocation, if this style fits your investment goals, time horizon and tolerance for risk.
- When choosing between saving for your retirement versus saving for a college education, think about saving for retirement first. Remember that your child may have financial aid available. Many financial advisors would remind you that you are on your own for your retirement.
- Make sure you and your spouse have adequate life insurance and disability coverage.
- Draw up a will and name a guardian for

your children. Understand how your marital assets are titled.

- Contact Social Security and ask for Form SSA-7004, the Request for Earnings and Estimated Benefits. It is important to check your earnings every three years, since the Social Security Administration will not correct a mistake older than this.
- Avoid tapping into retirement accounts for such things as down payments or home improvements.
- Begin estimating what you will need for a comfortable retirement and scale back now to help you reach that goal. Apply savings to your retirement nest egg. It is also a good rule of thumb to increase your retirement plan contributions each time you receive an increase in pay.

FOR MORE INFORMATION

Our Planning and Education Center on PERF Interactive (<http://www.in.gov/perf/>) can give you the information you need to start saving for the future, regardless of age or income level. This resource teaches members how to prepare for their golden years. If you have questions about your retirement, please call toll-free 1-888-526-1687.

A Raise for Retirees in 2006

Annually, the Indiana State Legislature considers two pension benefit increases. This year, they approved a Cost of Living Adjustment (COLA) in benefit payments of at least \$5.00 or 2 percent (whichever is greater) for those who retired or became disabled before Jan. 1, 2006. This increase becomes effective Jan. 1, 2007.

The second benefit adjustment passed by the legislature in 2006 is the 13th Check. This shall be paid to members (or their survivors or beneficiaries) who retired or were disabled before Jan. 1, 2006 AND who are entitled to receive a monthly benefit as of Nov. 1, 2006. This shall be paid no later than Dec. 1, 2006.

The following 13th Check amounts will be based on years of service:

At least 10 but less than 15: \$50
At least 15 but less than 20: \$100
At least 20 but less than 25: \$150
At least 25 but less than 30: \$200
At least 30 years of service: \$250



considered a legal opinion. In the event of a discrepancy between information in this publication and the laws of the state of Indiana, the applicable state law shall apply. All information in this publication applies solely to the Public Employees' Retirement Fund and not the other retirement plans administered by PERF.

The Indiana Public Employees' Retirement Fund is governed by laws and regulations found in Title 5-10.2 and 5-10.3 of Indiana Code. While every attempt has been made to verify that all the information in this publication is correct and up-to-date, PERF does not make any representation or warranty as to the completeness or accuracy of any information provided. Published content does not constitute legal advice, and nothing herein should be